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# Diaspora involvement in the development of Somalia<sup>1</sup>

Abdulkadir Osman Farah<sup>2</sup>

## Introduction

After the state collapse 1991, Somali business people showed resilience and became champions of telecommunications and commercial activities in Africa. With the assistance of Somali diaspora, national and international NGOs, hospitals, schools, airfields and business centres were re-constructed. Still, Somalia remains the only country in the world where a properly functioning government and state does not exist. There is no single unifying authority that can exercise internal and external legitimacy and sovereignty. Instead, there are multiple complementary and sometimes fiercely competing authorities and sub-authorities. This lack of proper institutions and governance raises enormous challenges to both diaspora community groups abroad, as well as to international NGO's to engage and provide long term assistance for significant social sectors such as education.

In 1991, the International Committee for the Development of People (CISP) began its humanitarian emergency efforts to help vulnerable groups during the civil war. The organisation provided medical supplies and food for displaced people. In 1995 the organisation launched its development efforts in the fields of health, education and veterinary medicine in South Central Somalia, particularly Ceel-Dheer and Harardheere districts. This was a new approach built on community empowerment and inclusion. In 2002 CISP expanded its mission to Puntland with an education project. CISP's ambition today is to move towards more developmental activities with regard to community empowerment and governance. In this connection CISP is searching for new non-traditional donors, and how they can contribute to develop the education sector in Somalia.

Hence, CISP commissioned the present study in order to explore the potential roles of Diaspora linkages to their communities and their remittances in terms of their contributions to developing the educational sector. Indeed, it is already a known fact that externally provided humanitarian aid is not sufficient to resolve

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<sup>1</sup> This paper was presented at the Horn of Africa Workshop: What is the Way out: Challenges in Overcoming Governance Crises, Endemic Conflicts and Negative External Involvements in the Horn of Africa? The workshop took place May 26, 2008 at Aalborg University and was hosted by Development, Innovation and International Political Economy Research (DIIPER) in Collaboration with Centre for Comparative Integration Studies (CCIS), Aalborg University.

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the chronic economic crisis in Somalia. The survival of the Somalis relies overwhelmingly on the regular remittances from their relatives amongst the diaspora.

The main question raised is: How can diaspora initiatives in favour of development in Somalia effectively be supported, particularly in the education sector?

In order to address this main question, the study will first provide a general overview of the Somali diaspora, its remittances to Somalia and the linkages and potentials of these remittances to development in Somalia. This section will provide some indications of the locations and numbers of the Somali diaspora, how much they remit, and what the present contribution of their remittances to the reconstruction and development of Somalia is.

This leads to the second part of the study, which aims at exploring the importance and potential roles of the Somali diaspora as a non-traditional donor to the educational sector. This is done through interviews with diaspora communities as well as ‘home-communities’ in Somalia and ‘anecdotal’ evidence, through which some light can be shed on how the diaspora supports /invests in the education sector in Somalia as well as outlining problems and potentials for external aid to such initiatives. Particularly, the study looks at Somali diaspora communities in Scandinavia (Denmark), East Africa (Kenya), Middle East (Yemen & UAE), North America (USA & Canada) and the rest of Europe (UK and Italy).

### **Background to the migration – development nexus**

The Somalis gained independence in 1960 and were unified under a Western-styled parliamentary system, forming the country now known as Somalia. Later, General Siyad Barre seized power in 1969, expounding “scientific socialism”. The regime was supported by military and development aid from the Soviet Union (1969–77) and the United States (1978–89) that largely funded the war with Ethiopia over the Ogaden region. While the regime formally banned manifestations of clan organization, Siyad Barre, in fact used state finances to manipulate different clan interest groups and entrench his power to his immediate clans.

In 1988, insurrection by the Somali National Movement in Northern Somalia met with severe government reprisals. The central region also suffered: persecution of dissenting groups, and political movements had become common throughout Somalia. Eventually, the United Somali Congress and the Somali Patriotic Movement overthrew Siyad Barre in 1991 (Gundel 2003). The state

collapsed. In 1991–1992, 240,000 to 280,000 people died from starvation or disease in Southern and Central Somalia alone. At least 40,000 people were killed in fighting as the region entered a long period of inter-clan warfare, banditry and famine (UNDP 2001). International efforts to broker a resolution to the political crisis failed miserably. Today, in some areas, localized politics, based on traditional clan-based, municipal, Islamic and local business influences, now ensure a degree of stability (Gundel 2003). President Abdullahi Yusuf Ahmed was elected in October 2004 by the Transitional Federal Parliament (TFP), but to date the new Transitional Federal Government (TFG) still exerts no clear territorial control in Somalia. In the North, the self-declared Republic of Somaliland (since 1991) and the self-administered Puntland State of Somalia (since 1998) has maintained relatively stable administrations, although internationally unrecognised.

### **A general overview of the Somali Diaspora**

Migration is at the heart of the nomadic culture of the Somalis. Pastoral movements across Somalia's borders with neighbouring countries to graze livestock, trade or work has been a common feature for centuries. The nomadic Somalis were divided by colonization into five areas: British, Italian, and French Somaliland respectively, as well as the Northern Frontier District of the British Kenyan Colony, and the Ogaden region of the Ethiopian Empire. In 1960 the independent Somali Republic was formed as British and Italian Somaliland decided to merge as a first step toward uniting all the Somalia peoples. The Northern Frontier District, however, remained in independent Kenya and the Ogaden region remained part of Ethiopia. French Somaliland eventually gained independence in 1977 as the Republic of Djibouti. Hence, ethnic Somalis have traditionally inhabited an area that stretches beyond Somalia's 1960–1991 borders, living also in Djibouti, northern Kenya and the Ogaden region of present-day Ethiopia. During the colonial period, men from British Somaliland, many former nomadic pastoralists, worked as employees of the UK's Merchant Navy, some returning after sojourns in the UK, others staying on.

While the notion of Somalis being an ethnically homogenous group applies for Somaliland and Puntland in the north, it does not apply singularly to Southern Somalia where analysts often ignore the very large "minority" groups. Most distinct of these are the so-called "Bantu" descendants of slaves who were imported from what is now Tanzania (Gundel 2003). Other distinct groups are the Bajuni and Baravani people who live along the eastern coasts of Somalia. In fact, even the large Rahanwein agropastoralist group constitute a heterogeneous community whose history and language differs significantly from the nomadic Somali clans. It is difficult to assess their number versus the dominant Somali

clans, but in southern Somalia these groups were the prime victims of the conflict and the famine in 1992.

In the 1960s, many Somali men were employed in the transport sector in East Africa, and today they are still an important group in the East African transport sector. After independence, disgruntled by unmet promises, many disappointed supporters of the Union, especially from the North-western Isaaq clan, migrated abroad during the 1960s as they were denied access to positions and resources. Since the 1960s, significant numbers of Somalis migrated to work in the oil-rich Gulf. By 1987, the number of “Gulf migrants” was estimated at 375,000 (Ahmed, 2000). These migrants were often relatively well-educated people looking for better employment than they could find in Somalia (Marchal, 1996). Today, the many Somalis who remained in the Arabian Gulf Arab countries are facing difficulties. Employment opportunities have declined dramatically and most migrants (Somalis as well as other foreign nationals) are either faced with poor legal status or have been forced to leave.

Another migration was related to elite young men and women who went abroad to study as they were provided with scholarships from Italy, Britain or the Soviet Union. Thus, significant numbers of Somali migrants and their children already lived in neighbouring countries, the Gulf, the UK and Italy prior to the first refugees in 1979. This is one of the main reasons that Somali refugees from the civil war unlike Africans from for instance Rwanda, were able to migrate to the West and Middle East in such large numbers: Through the prior migration they already has access to connections, and resources. Indeed, the Somali migrants tend to be from cities, nomadic families and better-educated families (Gundel 2003).

The next major migration was related to the war over the Ethiopian Ogaden Region between Ethiopia and Somalia. This war provoked a humanitarian crisis, which brought about the first massive refugee movement, sending thousands of ethnic Somalis into Somalia (Waldron and Hasci, 1995). By 1981 these refugees constituted about 20-40 per cent of the population of Somalia (Simons, 1995). But, the number of refugees in this group was probably grossly exaggerated (Waldron and Hasci, 1995). Most of them came from the Ogaden clan, creating considerable tension in regions where they were considered non-residents. From 1984 to 1991, this group of refugees was accompanied by more Ogaden refugees as well as fleeing Ethiopian Oromos (Waldron and Hasci, 1995). Thus, already before the civil war, Somalia hosted one of the largest refugee populations in Africa.

The eruption of the civil war in 1988 reversed this situation, and generated the third major movement – this time from Somalia into the Ethiopian Ogaden

Region. More than 600,000 people fled to Ethiopia. This flow was first caused by the conflict between SNM and the Siyad Barre regime, and was prompted by the bombing of Hargeysa in 1988. The escalation of the conflict in 1991, when the USC, with the support of SPM and SNM, ousted Siyad Barre, produced further refugee flows. Thus, the largest mass flight of Somalis took place from early 1991 when more than 1 million are estimated to have fled fighting in southern Somalia. The better-off refugees went abroad to Western countries such as Canada, US, UK, Italy, Holland, Sweden, Denmark, Norway, Finland, and Australia (Table 1). But, most of the refugees, and significantly the poorest, fled to the neighbouring countries, such as Kenya and Ethiopia (Table 2), or elsewhere within Somalia as internally displaced persons (IDPs). Reportedly, 80 per cent of the country's skilled population has left since the conflict began (EC 2002).

<b>Table 1: Somali Refugee Population By Western Country Of Asylum, 1999 (UNHCR 2000)</b>	
<b>Country</b>	<b>Population</b>
Netherlands	18,500
United Kingdom	18,100
Denmark	9,600
Sweden	7,700
United States	5,200
Canada	4,000
Norway	3,600
Finland	2,400
Switzerland	2,400

<b>Table 2: Somali Refugee Population By African Country Of Asylum, 1999 (UNHCR 2000)</b>	
<b>Country</b>	<b>Population</b>
Ethiopia	180,900
Kenya	141,100
Yemen	55,200
Djibouti	21,600
South Africa	4,700
Tanzania	3,300
Libya	2,900
Egypt	2,600

While the refugee flows are closely linked to the effects of armed conflict, migration to the Gulf states was related to the opportunities offered by rapid development in the oil producing countries, and was thus not directly poverty related. This migration was also related to the lack of job opportunities in Somalia. But in both cases it was those with capacities to migrate who did so. Thus, the refugees who were able to seek asylum in the West were in social status similar to those who migrated to the Gulf States in search of labour. Existing networks of the limited number of Somalis who had migrated to Italy, UK and other places in Western Europe, and the US before the conflict were

<b>Table 3: The Estimated Official Size Of The Somali Diaspora, 2000 (Gundel 2003)</b>	
<b>Country</b>	<b>Population</b>
Canada	30,000
United States	25,000
United Arab Emirates	25,000
Netherlands	25,000
Italy	20,000
United Kingdom	20,000
Saudi Arabia	20,000
Denmark	14,000
Sweden	12,000
Germany	8,400
Switzerland	5,400
Finland	5,300
Norway	4,000
Australia	2,000

important in shaping who, how, and where the later and much larger numbers of refugees went.

“The sheer size of this diaspora means that in some ways Somali society as a whole has been ‘globalized’... Somalia’s principal export is ... human labour ... this is of real significance within Somalia, given the remittance flows, and has wide-ranging impact on human development choices” (UNDP 2001: 132).



People continued to leave Southern Somalia in large numbers until 1995. Until the recent upsurge in conflict in Somalia (2007) there has been a decline in refugee flows from Somalia and a gradual process of repatriation and reintegration. Yet, a quarter of a million (256,000) Somali refugees remain in camps in Kenya, Ethiopia, Djibouti, Yemen, and other neighbouring countries (Gundel 2003). Furthermore, many more reside in these and other countries illegally and hence elude documentation. Hence, the figures in Table 3 represent only the official numbers in selected countries. The real size of the Somali Diaspora in these and several other countries is likely to be much higher. According to UNHCR, the number of registered refugees from Somalia worldwide is around half a million people (UNHCR, 2000).

### **The Remittances from the Somali Diaspora**

Financial remittances from Somalis living outside the country are an outstanding feature of the Somali economy, and have for long been crucial to the economy. Today, the new diaspora in the West has assumed a very important role as a source of remittances to family members in Somalia or in refugee camps.

The first migrant workers who went to the Arabian Gulf during the 1970s began to send back remittances, using the so-called *franco-valuta* system. People from the Isaaq clan in particular utilized this system, in which foreign exchange was transferred to traders who would import commodities for the Somali markets, and then give the cash to the families of the migrants. This system worked only because the traders had strong linkages to their clan lineages inside Somalia. This, together with the practice of migrants settling close to fellow clans-people, contributed to a strengthening of clan identity. The system was crucial for the provision of foreign exchange, and enabled families in Somalia to import consumer goods. Rough estimates suggest that around US\$300 million was remitted annually from the late 1970s and during the 1980s, equivalent to about 40 per cent of GNP (Marchal, 1996).

The *franco-valuta* system was officially banned in 1982 because it increased the misuse of much needed foreign exchange, but also because it potentially undermined the power of the regime's own patron-client mechanisms (Marchal, 1996). Yet, the ban had little effect as it only led to a new system. Thus, the direct *Xawilaad* system developed which did not involve a trader. The significance of these remittances grew as part of the emerging parallel economy in the 1980s, when they were estimated to be worth US\$370 million annually, of which 75 per cent came from workers in the Gulf countries (UNDP Somalia, 2001). The *Xawilaad* system evolved into the 1990s, where remittances were transferred to the armed guerrillas who eventually overthrew the Siyad Barre

regime. The early use of mobile radio systems used by the rebel groups such as SNM, combined with satellite telecommunication facilities, turned out to be very useful means for the *Xawilaad* companies, and later lead to the spread of efficient telecommunication companies in post-collapse Somalia. Today, there are several *Xawilaad* companies with branches wherever in the world Somalis live, and scattered all over Somalia. Through this network, a Somali can transfer money to a family member inside Somalia within 24 hours. Today, *Xawilaad* is the most efficient, and safest, way of transferring money to, and inside Somalia. Even the international NGOs use it extensively. The system became a strategic asset in the civil war economy, and is still the most important means for the clan-based social safety net for most Somalis.

### **Who remits?**

Diaspora Somalis in the West is believed to be the most significant source of remittances after the labour market tightened in the Gulf and the refugee crisis occurred in the 1990s. Hence, the source of remittances changed during the civil-war. In the 1980s, it was primarily migrant workers in the Gulf States and Saudi Arabia who remitted about 60 per cent of the total estimated money transfers to Somalia (Gundel 2003). Outside the Arab states, it was only in the UK and Italy that a Somali diaspora of any significance in terms of remittances could be found. After the outbreak of civil war, conflict-related refugee flows to Western Europe and Northern America changed the remittance pattern. Thus, a result of the civil war was the growth of the diaspora and the volume of remittances. One difference between the civil war related migrations and the previous labour migrants is that the former most often were families settling in host countries including women and children, while the migrant workers almost always were males seeking work who would usually return home (Ahmed, 2000). Somali exiles in the West lived mostly off welfare allowances that were intended to meet only their most basic needs. Hence, these families would not transfer as much of their income as would the lone males who went to the Middle East for work. Another difference is that with the civil conflict, the elite had fled the country, leaving the market to other social strata. A reflection of this change is that during the 1980s, two-thirds of the funds from the Somali communities abroad were used for trade, and the other third to assist families. Today these proportions are probably reversed (Gundel 2003).

### **How much is remitted?**

Problems with measuring the scale of remittances to Somalia include the frequent lack of reliable survey data on income, savings and remittance behaviour, leading researchers to rely on more anecdotal evidence regarding average transfers. In part of Somalia, security issues complicate household

surveys, and local fears of reductions in aid may discourage declaring remittance income.

According to old surveys made by the International Labour Organization (ILO) in 1985, the 165,000 to 200,000 Somalis living in the Middle East earned \$700 million dollars a year, of which approximately 30 per cent – \$280 to \$370 million dollars – was sent back to their native country. Annual remittances to Somalia in 1987 were estimated to be between US\$478 to \$540 million (Gundel 2003). The latest estimates on the scale of remittances suggest that the annual transfer through *Xawilaad* companies may be more than US\$1 billion (WB 2006). This is a considerable amount when set in relation the official development assistance (ODA) and humanitarian aid combined, which in 2004 amounted to US\$272 million (WB 2006).

One survey finds an average household receipt of remittances per annum in Somaliland was about US\$4,170 and its share of household income was 64 per cent (Ahmed, 2000). If these estimates are correct, and there are about 120,000 recipient households throughout Somaliland, then the total value of the annual remittances is about US\$500 million, which would be about four times the value of livestock exports from Somaliland in a normal year. Remittances to Southern Somalia are not documented.

Factors affecting remittance transfer are as yet poorly understood. Some migrants send remittances, some do not. There is no systematic research evidence on the incidence of remittance sending in the Somali diaspora or on comparative incidences of remitting among different migration cohorts and in the first and second generation. Migrants mainly send remittances to family members only, but sometimes also to friends and business partners (Omer 2002). A survey of 166 remittance-receiving households in Hargeysa in 1998 found that most remitters lived in Europe or North America, 40 per cent of remitters were women, roughly as many wives support husbands as husbands support wives, and that 35 per cent of remittance-receiving households received money from two to eight migrants (Ahmed 2000). Transfers to cover family needs appear to range from US\$ 50 to US\$ 500 per month (Omer 2002; UNDP 2001). According to interviews with Somali families in Denmark, relatives in Somalia receive between US\$100 and US\$200 per month on average.

## **The links between Diaspora transfers and development**

Remittances are transferred in different forms and through different channels, as cash or goods in kind, through remittance companies, through merchants, or through relatives. But, what are the remittances used for and what is their real potential impact on development?

### *What are the remittances used for?*

Historically, remittances have been used to finance consumption and as such are crucial for household livelihoods. Consumption has only little developmental effect, but does contribute to the existence of trade, markets and import businesses. The latter is unfortunate, as much of the money is being spent on expensive imports, with no local developmental effects. The same thing goes for the use of khat as the plant is all imported from Kenya or Ethiopia.

But recent observations show a new trend where remittance money increasingly is being invested in small businesses or real estate, an increasingly dominant feature of the Somali economy. Furthermore, some Somalis do their utmost to manage their income properly by, for instance, investing in the education of their children, although primarily through school fees and less so through concerted pooling of their money to run schools. In a few cases, as will be described further in section 3, there are examples of Diaspora Somalis organising themselves for broader community development projects in their places of origin. But, mostly, larger scale investments from Somalis abroad are based on private basis and not collective or associative basis. A fact that is reflecting one of the main causes of the State Collapse, namely the collapse of trust in state, public and collective arrangements of any kind.

There are also a few examples where Diaspora uses their collected remittances for charity and peace. For instance, during the summer of 2005, Somalis in Sweden collected and transferred funds aimed at assisting the national reconciliation by removing roadblocks in Mogadishu. Other, examples include financing of hospitals (i.e. Edna Maternity Hospital in Hargeysa , private individual based) and successful higher education institutions (i.e. Amoud University in Somaliland, collective diaspora support). The main challenges confronting diaspora assistance and involvement in Somalia is their fragmentation, and private orientation towards own family or community only.

The structural effects on development of remittances are limited. The flow of remittances increases in times of economic stress, during droughts, or in response to inter-clan warfare. The positive aspect of increasing consumption through remittances in Somalia in the 1980s was that this did improve the real balance of payments and enabled imports of capital goods and raw materials for industrial production. The high level of consumption and imported goods,

however, left only little surplus for capital-generating investments, while the demand on consumer goods increased inflation and pushed up wage levels. So, the immediate positive effects in terms of easing the effects of rising oil prices and increasing living standards turned into negative effects in the long run as they were spent on “non-productive” investments, which increased dependency and eroded incentives for production. Some positive effects did come out of increases in trade, but these did not have the same long-term effects, such as investment in a productive sector. On the other hand, remittances in Somaliland in recent years have been used less for consumption and unproductive investments, but instead contributed significantly to the growth of a vibrant private sector (Ahmed, 2000). This process, however, is associated with loss of educated and skilled labour, and increased income inequality. The booming sectors are also limited by the lack of credit schemes and saving facilities.

### **Social aspects of remittances**

The latter point of unequal development is important, and is not sufficiently reflected in most of the available studies (including the present study) because the prime focus is on the ethnic Somali migrants proper and only their practices in terms of development effects. Thus, the existing studies often only concern the nomadic Somalis, and far less the agropastoralists Rahanwein and Digil people, Gosha, Bantus, and other “minorities” such as the Barawani/Bajuni cultures along the coast. All of these groups do not seem to have been in a position to travel outside Africa. But, they did seek refuge in IDP camps, and did migrate to the neighbouring countries from where this study has not been able to gather any data on their remittance, trade, or other practices. Nevertheless, remittances do play the role of a social safety net, preventing economic collapse in the face of setbacks such as drought and recurring Saudi Arabian livestock bans. Studies of remittances to Hargeysa, Burco, and Bossasso calculated that remittances constitute nearly 40 per cent of the income of urban households (UNDP Somalia, 2001). Preliminary data from a survey conducted by the UNDP indicates that on average, remittances constitute 22 per cent of per capita household income (UNDP Somalia, 2001). It should be noted that the volume of remittances received by households depends a lot on the quality of telecommunications, the organization and the welfare of the community, and the distance between *Xawilaad* relays and the beneficiaries of the transaction (Pérouse de Montclos, 2003).

There is an urban bias in the distribution of remittances. For instance, while a majority of households in Hargeysa received remittances, only 5 per cent of rural households did (Ahmed, 2000). Pastoral households receive even less. For agro-pastoralist households, remittances from migrant workers in urban areas are more important than international ones, thus suggesting an indirect flow of

international remittances to rural households. Remittances both reflect and serve to increase the economic differentiation in society. According to UNDP Somalia, for historical, social, and political reasons, remittances are more common in urban rather than rural areas, and the main beneficiaries of remittances tend to be urban households with educated and skilled members in the diaspora (UNDP Somalia, 2001).

Due to a history of better access to education, political privilege, or accident of geography, some social groups and clans have a higher percentage of their members in the diaspora than others. Migrant workers and refugees tend to come from better-off families who can afford to invest in sending a family member abroad. The rural poor and the internally displaced from groups who have fewer relatives abroad receive fewer remittances and are less well served by telecommunications. For example, in Hargeysa and Bossasso, there is clear evidence of significant differential access to remittances between urban residents and displaced populations and economic migrants from southern Somalia.

The *Xawilaad* remittance system is the structure that links the diaspora with families in Somalia. Somalis returning from the diaspora have brought new businesses, ideas, and technologies. Unfortunately, while many in the diaspora express a desire to return to Somalia, insecurity, poor social services, and employment opportunities dampen the incentives to do so. The huge number of Somalis returning to Somalia on vacation, going there to reconnoitre, is evidence of interest in return. Somalis maintain close links with their country of origin, a prospect that keeps alive the hope that this diaspora could play a structural role in the reconstruction of Somalia. But, it remains to be seen whether the second generation of Somali immigrants abroad will continue to remit money to relatives they do not know in a country they may never have visited (Pérouse de Montclos, 2003).

The practice of remitting money has important consequences on the diaspora, as they may represent 20 to 30 per cent of the households' income. Elders may exert high pressure on their communities to send funds home. That is why some blame the remittance system for perpetuating a clan-based, segmented society. On the other hand, this development is mitigated by the tendency of Somali families in the West to change toward the Western nuclear type (Pérouse de Montclos, 2003).

If the remittances can be transformed into long-term productive capital investments, as there is a tendency towards in Somaliland, then they will be far more valuable for economic development than development aid. But just as important is the flow of "know how". The opportunity for the diaspora to

acquire education abroad is a potential asset if they return. Yet, the structure of pay levels and job opportunities work against this. This is perhaps an area where development aid could be used in the reconstruction of the future Somali polities, by providing salaries in a transitional period for well-educated Somalis who want to return.

It is also important that aid is not linked too narrowly and rigidly with repatriation of the Somali diaspora to Somalia. If aid is used to push repatriation, before the diaspora is ready for it, then they may well decide against and choose the socially most secure option – to stay abroad. On the other hand, if they are seen as potential catalysts for development in Somalia, a door is kept open for them to stay in their host countries, and they are provided with education, skills, and working experience – perhaps in long-term programmes aimed at starting businesses or education in Somalia. Then, there is a prospect for a constructive relationship between aid, development, and diaspora.

Remittance systems themselves contribute considerably to the Somali economy by facilitating all sorts of businesses. Somali traders use foreign exchange bought from migrants to buy their goods, and use remittance systems themselves to make payments to partners. Remittance companies are used by aid agencies for payroll and contract payments. Remittance systems also facilitate foreign direct investment in Somalia, the vast majority of this coming from Somali nationals living abroad (Drysdale 2000). Moreover, many Somali remittance companies invest in other industries (or vice versa), particularly import/export, construction, real estate and telecommunications.

### **The Diaspora as a Non-Traditional Donor to Education**

The following section is more an anecdotal set of examples of how the Diaspora has engaged as ‘donors’ to development, particularly in the education sector, in Somalia. It is hence not a systemic survey, but provides a picture of how they do engage, and leads to an outlining of opportunities and problems in supporting such initiatives.

First, the section will take a look at the Diaspora perspectives on contributing to development in Somalia within the context of where they are settled abroad. Secondly, some examples of how more organised contributions by Diaspora to development in the education sector is provided together with some examples of Diaspora organisation for home development, which can be important for understanding how these initiatives eventually can be supported.

## **Diaspora perspectives on contributing to Somalia<sup>3</sup>**

### *Middle East*

The remittances of the pre-civil war Somalis who went to the Middle East (particularly Yemen, Saudi Arabia and UAE), was primarily used for families' investment in properties, construction of houses and consumption. Most of the Somalis who went to work in the oilfields were young men. Some women did get employment as domestic workers or as nurses. Almost all were segregated from the local population. Since the Middle East countries did not normally provide citizenships and employee rights to foreigners, who were expected to leave when employment contracts expired, there was and is not a strong incitement to base a long term strategy here. Somalis often were subjected to basic rights violations by contractors who reject to pay their fees or provide holiday compensations.

Hence, Somalis in the Middle East are vulnerable and not properly integrated into the social, economic and political system. There are, however, few exceptional cases. Qatar and Oman do provide Citizenship for some Somalis. In Dubai, UAE, Somalis has been trying to build centres for business engagement that involve global marketing and exchange. Somalis from all over the world generally uses Dubai as their financial and trade centre for their businesses with Somalia itself. But, here too Somalis do not enjoy full rights and there are many uncertainties about their legal residence status. Because of that they are reluctant to invest and engage into long term projects in Dubai. Thus, through their remittances and trade with Somalia, they are considered major players in the reconstruction of Somalia. Hence, a considerable part of the financing as well as educational system in particularly Mogadishu is channelled by Somali business people who maintain the Mogadishu – Dubai and Gulf of Arabia linkage.

In June 1993, the idea of establishing a private University came about when a number of professors of the former Somali National University and other prominent Somali intellectuals, not at least linked to the Al-Islah group, which generated funding from Kuwait amongst other places in the Middle East, congregated in Mogadishu to discuss the case of the students of the destroyed Somali National University<sup>4</sup>. The group decided to form the University of Eastern Africa. The aim was to provide opportunities for Secondary School leavers to enter further education. Hence, their immediate aim was to re-establish Faculties of Islamic Studies and Languages of the former National

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<sup>3</sup> The following information is gathered by interviews with Somali diaspora members in Europe, North America, Middle East and Communities inside Somalia, conducted by the author of this study, Abdulkadir Osman Farah, from January to July 2007.

<sup>4</sup> <http://mogadishuuniversity.com/historical.html>



University. This university initiative was founded in privately owned houses in the Southern part of Mogadishu, near Medina Hospital. However, the flares of the civil war had reached the University site. After one week from the opening date of the new University, the warring militias looted all its properties including furniture, library books, vehicles and documents. As a result, the project was temporarily suspended. But, September 22, 1997, Mogadishu University was officially opened as non-government and non-profit institution for higher learning, governed by the Board of Trustees and the University Council, mainly funded by Diaspora and charities from the Middle East.

### **United Kingdom, United States and Canada**

Somalis in the UK belong to the more marginalised community groups. They are not performing well in education and employment, but fare better in private business than elsewhere in Europe. In USA the situation is different, as the Somalis are not as excluded from their host communities. The Somalis in North America are said to be the most resourceful among Somalis. The reason could be that the USA initially attracted students and well educated groups. Later the ruling elite and former government officials also went to the either Canada or the USA. More importantly, Somalis consider North America to provide possible and successful integration and opportunities. Somalis in the UK and North America are the most active in the development of Somalia. They are involved politically, socially and economically.

Remittances are the prime contribution to Somalia from the Northern American and UK Diaspora. However, the UK and North American Diaspora are leading in the recent emerging construction and small industries enterprises in Somalia itself, as well as in the telecommunications sector. Somalis in the UK, USA and Canada are organised in community association which mostly mobilise Somalis to bring assistance to Somalia in periods of emergency such as droughts and floods.

Information technology is increasingly being used to increase the links between Diaspora and the Somalis in Somalia. An interesting case is the new satellite TV station, Universal TV. This station also shows a typical global Somali business venture as the station is owned by a businessman based in the UK and Dubai, running businesses in telecommunication and satellite instruments. The owners introduced their station to contribute to the development and reconstruction of Somalia (own interview), by helping Somalis abroad and Somalis at home to connect. Recently, the station has taken a significant role in mobilising Somali diaspora to support projects in Somalia. During the recent emergency in and around Mogadishu, the response was massive, particularly from Somali women abroad who remitted aid through the station, who then organised to hand out to

victims of the fighting there. Time will tell, but it seems that stations such as the Universal TV, and the Internet will have impact on the way the Somali diaspora engage with regard to the development in their country.

### *Denmark*

Although, Somalis arrived in large numbers to Denmark, the Danish public and the authorities did not pay particular attention to this culturally dissimilar people. Two major events had important implications not only on the relationship between the host nation and the Somalis, but also the overall public perception and legislative approach to the wider immigrants in Denmark. The Somali family structure is totally different from Danish. The Danish nuclear family structure is strange to Somalia and among the Somalis in Denmark. Although mother, father and children are important for the Somali family perception, this does not necessarily exclude, the extended family to be considered the obvious family. Hence, the Somalis practise of bringing their extended family to Denmark outraged the general public opinion on them, as it was seen as an abuse of the asylum they got in Denmark and the Danish social welfare system. Practices of FGM in Denmark by Somalis have also not helped their image to the Danes.

The consequences of such issues are the implementation in Denmark of very restrictive migration laws. DNA tests were introduced to avoid the import of extended family members. The main consequence of the Somali situation in places like Denmark is that remittances are mostly derived from the base of social welfare, which is closely linked to their status in Denmark. Hence, there is a strong reluctance amongst the Somali Diaspora here to break their status to Denmark, in order to provide more actively to Somalia and eventually move back to contribute with their acquired skills. Therefore, Somalis in welfare states need to find options where they can contribute to development without losing their basic security in the host country.

On the other hand, the Diaspora in Scandinavian countries learns other skills, such as associational organisation from their host societies. Based on that kind of inspiration, Somalis here do organise themselves in association with the aim of contributing to development in Somalia in a more concerted and organised manner, and maybe even with the prospect of paving the ground for return. An example of such an organisation is SomScan-UK:

SomScan-UK is an umbrella group of Somalilanders based in Scandinavian countries and the UK. Established in 1999, it has collectively bought a block of land near Burao town in Somaliland. The objective was to build homes where members of the group can return and live. The project involved 330 families, who collected funds from themselves, and used the *Xawilaad* company Dahab

Shiil extensively to transfer the money and facilitate the project in its early stages. Later the project gained EU funding, and was supported by the Danish Refugee Council to construct some infra structural facilities to the new settlement as well as for the local community. Members of the SomScan group are furthermore involved in the development of Burao University.

### *Italy*

The relationship between Somalia and Italy is historical, as Italy colonised the southern and most productive part of the country. During the latter part of the Second World War, South Somalia briefly came under British rule. After 2nd WW, the UN designated Italy to administer under UN mandate to prepare Somalia for independence. Many Somalis, therefore, received their education by Italians and many in Italy. Naturally, many of these Somalis established relationships with Italy. Some even decided to stay in Italy to pursue further careers and education. After independence, the Italy and the Soviet Union became the main contributors to the education and development sectors of Somalia. Many of those who settled in Italy belonged to the best educated groups among the Somalis. Italians who worked in Somalia assisted the resettlement of their employees in Mogadishu, especially during the height of the civil war. These Somalis are still in Italy and some became Italian citizens and themselves brought relatives from Somalia. Although, during the civil war, the Somalis only considered Italy as a transit destination on their route to countries such as Scandinavia, UK and North America.

With regard to the development and relationship with the host nation and their country of origin, Somalis joined efforts and established organisations to help themselves and the people back home. One such organisation is called Italo-Somalo and is based in Roma. This organisation is created by people with a mixture of Italian and Somali background and educated Somalis. They do activities for integration and development to help Somalis in Italy and in Somalia. In addition there are number of women organisations that are involved in helping Somali women in Italy and women and children in Somalia. Unlike Scandinavia and some other western countries, Italy does not have an inclusive welfare system. Thus immigrants and refugees just receive a minimum support. This pressures Somalis to look for jobs to survive. The lack of proper welfare also influences the diaspora organisations that spend more energy and resources for helping people to get jobs rather than building up institutions and supporting their country of origin. On the other hand, Italy is the only country in Western Europe that still provides special favour and treatment for the Somali immigrants. For instance Somali immigrants are entitled to get one year residence permit if they are approved to be a proper refugee. This annual residence permit is renewed every year until the individual acquires permanent status and later citizenship.

COSV is an Italian NGO that linked with a local NGO IIDA, established by Somali women during the early civil war, notably Starlin Arush. The organisation runs a number of schools with more than 3000 students. This is an example of strong individual engagement by Somalis to do social work in Somalia. Starlin Arush was until her untimely death in 2002, the driving force linking her organisation with external donors, and the family links to Italy as well as Canada. When she died, her brother Mohamed Arush left his academic career at the University of Toronto to replace her at COSV.

### *Eastleigh, Kenya*

Eastleigh is located in the eastern part of Nairobi, Kenya. There has been a large Somali presence for a very long time, but since 1990s, Eastleigh became the home for thousands of Somalis, mostly refugees from the civil-war. Initially the Somali refugees settled in makeshift refugee camps in the Northern districts bordering Somalia. Subsequently they resettled to Eastleigh to pursue better opportunities. Though confronting numerous social and political challenges, the new Somali arrivals succeeded to transform this neighbourhood to a large commercial neighbourhood trading number of goods. There is an estimated 25.000 Somalis living in and around Eastleigh.

Eastleigh is probably the second most important Somali diaspora business centre in the World after Dubai. Among the residents in Eastleigh you find the most prominent business people from Somalia. Some of them own hotels and large properties while conducting huge business international enterprises. The fact is that most Somalis come to Eastleigh as refugees with none or few belonging. Over time they remarkably succeed in establishing themselves while providing assistance for relatives back home. Many Somalis in Eastleigh are engaged in small business enterprises. There are also various humanitarian and educational activities taking place in Eastleigh. The neighbourhood also houses numerous private schools that teach children from basic Quranic teachings to advanced schooling. As refugees in Kenya, Somalis do not get formal jobs, so most support themselves through informal job undertakings.

Through complex networks of friends and relatives, the business communities in Eastleigh, Dubai and Bakaara market in Mogadishu engage in activities that are not only providing profits for the business community but also for the wider ordinary Somalis. Members from the business community in Eastleigh claim they support local schools and charities through the annual saka payment and periodical subsidiary. However, to increase the effects of such charitable support, the communities and their local authorities needs to be supported in terms of building their capacity to utilise and absorb the remitted assistance.

### *Community – Diaspora efforts at building education in Somalia*

There are two types of primary education forms in Somalia today. Community based education and donor based education. Community based education is most often the form where we find the most significant diaspora contributions.

An interesting example of Diaspora support to developing educational institutions in their home community is the case of Ceel-Dheere town. Ceel Dheere is located in the Northern Eastern part of Galguduud Region in South Central Somalia, about 18 km from the Indian Ocean. This case shows the potentials of the diaspora engagement in home-development, when they move from merely remitting a monthly amount of money to their relatives to a more pro-active engagement oriented towards specific development activities. The collapse of public institutions following the civil war was also felt here, as the primary school closed down. The school was only reopened in 1993 when the CISP began to fund and reconstruct in the district. The agency paid among other things the salaries of the teachers. This program ended in 2002 when CISP suspended its humanitarian work in the region. But, the schools did not close down when CISP ended their support. Interestingly, they continued to function now supported by a joint effort led by local business groups in close cooperation with the Ceel-dheere diaspora. On the 2nd of April 2007, the Ceel-dheere community abroad held a meeting in London bringing together their diaspora from Europe and North America to discuss how they can promote education and economic growth in Ceel-Dheere. Among the participants were academics, business men, politicians and community organisers. After a long discussion it was agreed to invest in the construction of a secondary school in Ceel-Dheere. The decision to build a secondary school was based on the fact that when the children in Ceel-dheere conclude their primary and intermediate education, they have to go to Mogadishu to obtain secondary school education. Hence, it would help the community a great deal to have its own secondary school. Fifty percent of the needed funds to construct the school were collected already at the meeting. The rest was promised to follow after the meeting. The pattern of constructing the secondary school is similar to many other diaspora Somalis and their connection to their regions. What is interesting is that traditional elders and women groups in Somalia play a significant role in mobilising and bring diaspora groups together. In this case, it was Xaaji Axmed Cali Culusow who led the delegation from North America who demonstrated his commitment by declaring that the diaspora in North America would take a “lions share” to build the secondary school. They also found a local manager to the project, and a trustee was established with an education board.

Another examples is the ‘Ayuub Humanitarian Organisation’ that was established in the aftermath of civil war in 1992 in the coastal town of Merka, 90 km south of Mogadishu. The organisation was founded by the activist

diaspora returnee Lady Mana Sultan Abdirahman. She found that it was their moral obligation to respond to the suffering of their people, especially women and children. She belongs to a prominent family widely respected in and around Marka. She succeeded to organise national and international resources to create this Ayuub humanitarian organisation, with the objective of providing child and mother development care. Other objectives include empowerment of vulnerable groups such as women, children, and victims of the harsh and challenging conflict environment. To begin with, 'Ayuub' focused on security and fought against exclusion, harassment and discrimination of women and children. Later on, the focus shifted to education and training in vocational trades such as farming and other basic skills to strengthen women's ability to pursue economic, social and economic opportunities. The organisations has been supported by humanitarian organisations such as WFL (Water for Life is an Italian NGO), WFP and UNICEF. The organisation runs an orphanage and assigns adoptive parents to take care of the children. Although the organisation is non-profit, it is professionally organised as there is a board and membership in different categories.

Another example of diaspora remittances in support of a collective initiative is 'Ruudi', which is an umbrella organization that supports seven local community groups (four agricultural, a school, a civil society forum and an enterprise development group) in Western Hiiraan. Much of the organization's funds have been raised by Somalis in London and Dubai.

### *Puntland and Somaliland*

With regard to macroeconomic framework both Somaliland and Puntland base their fiscal management on low revenue from trade and import and export taxes. These revenues are mainly spent on security and general administration. Public goods such as infrastructure and social services receive minimum expenditure, making sectors such as education dependent on external aid or private contributions mainly from the local business community or the diaspora.

During 2005 and 2006 the primary education system in Puntland improved due to a better management structure, committed leadership in terms of ensuring efficiency and most significantly the various community initiatives and diaspora contribution. Furthermore local and international NGO also provide valuable contribution to the structure and upgrading of primary functioning schooling system. These community led initiatives mobilize resources from the community itself, local and international NGOs and in some cases the Somali diaspora to construct school infrastructure. For instance, the Red Horn of Africa is a charitable organization set up in 2001, which established and supports Irro Primary School in Bursalah in Puntland for 400 children aged 5–16. It is funded by a group of Somalis in Australia, New Zealand, North America, Europe, the

Middle East and Africa, held together by family and clan connections and their support of the project.

In Somaliland, diaspora communities mostly invest in houses and properties. More recently they began to invest in education and development. For instance most of the school fees in major cities in Somaliland are paid by diaspora. There are three universities, various youth and vocational training and primary and secondary schools. Most of these are private and sponsored by the diaspora. The significance of diaspora contributions to the economy of Somaliland is vital, according to the former Minister of Finance, Mohammed Said 'Gees': "if there is no diaspora, there is no life in Somalia or Somaliland" (Interview in Hargeisa, February 2007). Up to 60% of Somaliland's income is based on remittances from abroad. This is not sustainable in the long term. Long term projects should be established. The concern is that the generation that currently remit might get older and those born in the diaspora might not remember their parents' country of origin, and will eventually stop remitting.

One of the most important examples of community and diaspora run educational institutions in SL is the Amoud University. This is a community-owned non-governmental national University that welcomes all aspiring candidates who fulfil the admission requirements without discrimination based on sex, ethnic, origin, creed, colour or religion. The idea of establishing Amoud University was conceived by four diaspora intellectuals working in the Gulf in 1994 and was formally proposed in a workshop held in Borama on August 6, 1996. The workshop agreed to the proposal and adopted a resolution for the establishment of the University by 1997. Somalis linked to Borama helped to set up the University, now a community-owned institution, which still depends substantially on contributions from the international aid, diaspora as well as the local population to pay its staff.

Mainly there are three models of diaspora contributions. The first is the extended family network who is engaged in economic remittance to support relatives back home. The problem with this model is that it reinforces kinship loyalties produces little with regard to development that strengthens the economy or common public goals such as a national educational programme. Thus, it has private particularistic ends, which is the reason many Somali politicians will claim that there is nothing to benefit from remittances because that is entirely in the private domain. Another model, which seems to be increasingly practised, but which is vulnerable and could benefit from support is the associational model, which is a process whereby community associations in the host nation mobilise themselves and organise collective support to developmental projects and activities back home. A more ambitious 'transitional partnership model' where several diaspora communities work together in host

nations to engage in joint projects with a more national perspective would probably be more efficient. However, like the previous model, this requires first that the communities in Somalia organise themselves and articulate their needs to their diaspora collectively. Secondly, it requires that the Somali Diaspora itself is genuinely organised across clan-lines in serious associations. Both these latter points are in principle areas where organisational and associational support from outside their sphere could be useful in terms of building management capacities and strategies. However, that would call upon a non-traditional kind of co-operation where the usual aid agencies work together with refugee and community associations as well as local and regional governments in the North to create such support at both locations.

### **Policy Relevant Conclusions**

This study has attempted to describe the linkages between migration related resource transfers, and the potential importance of diaspora resource transfers for the development of the education sector in Somalia. As the paper shows, the linkages can have both positive and negative effects on the other. The study is hampered by the lack of statistical data on Somalia. With these limitations in mind, the following tentative conclusions and recommendations can be drawn.

International migration in the context of recent Somali history has been driven by political factors, and thus is not only economic or poverty related. Poverty has only been an indirect factor. Rather, the main reason for migration has been the intertwining of political conflict and the search for economic opportunity.

Since independence, aid has mainly been used as an asset in the internal power struggles of Somalia, and has not produced the intended development.

The economic remittances from Somali diaspora communities have enormous significance for the survival and dynamics of the Somali economy. Remittances have been far more important for the survival of people than development and humanitarian aid put together.

Poverty- and refugee-related migration are less prone to have developmental effects in countries of origin, as women and children tend to settle in the country of destination for good, as opposed to single migrant labourers who also remit a larger amount of their income.

The patterns of refugee flight, asylum, and repatriation among Somalis illustrate very clearly the significance of familial ties and mutual cooperation in their clan based society.



Remittances are mainly used for consumption, and have limited investment effects as consumption is mostly based on imports. On the other hand, under certain circumstances of political stability and trust in the political and economic environment, the Somali diaspora may invest in real estate, production, and trade.

Thus, the effect of remittances on development correlates with political stability and the quality of enabling environment for productive investments.

While Somalis globally maintain their links to their families, and to their cultural, linguistic and religious heritage, the concern is whether that will continue in the future.

Peace and security challenges still remain the main challenge for the diaspora, the Somali authorities and for the international organisations. Their frustration centres on the lack of achieving progress in this front.

During the 17 years of Somali civil war, there was an obvious lack of proper institutions under which organised humanitarian and developmental efforts could be conducted. Evidences conducted during this preliminary study indicate that institutional framework in Somalia should improved.

The situation appears somehow better in the autonomous regions of Puntland and Somaliland. In Puntland and Somaliland, the authorities have begun respond to demands from diaspora communities to invest more in education and business entrepreneurship.

Increasingly, the wealthy Somalis among the Diaspora do venture into investing their money in businesses in Somalia, and sometimes also in the social sector. Hence, private schools are emerging either as private individual businesses, or more collective engagements where resourceful Diaspora Somalis from the same home community join together to establish a private school. Another resource transfer in this connection is when they bring their acquired educations, skills and inspirations with them to Somalia.

An example of collective Diaspora support to educational development in their home community us the establishment of a secondary school in Ceel-dheere. This involved diaspora groups from UK and US in close cooperation with civil society and intellectuals in the region of Ceel-Dheere, who work together with the clan elders, academics and women and youth groups in mobilising and collecting resources.

One area where support to these diaspora-e community linked initiatives would make sense, is to help them build educational strategies. For instance, there is

tendency towards wanting secondary school and higher educational training such as Business Administration, which is seen as very prestigious – but, not necessarily what the community needs. Indeed, there is a more direct need for vocationally skilled people such as carpenters, masons, mechanics, electricians, nurses etc. It should be possible to attract Somalis amongst the Diaspora with such skills to temporarily or permanently contribute to reconstruction and training.

The UNDP administered QUESTS programme is one example of support to skilled Diaspora Somalis who are needed in development projects. However, this programme needs to better think through the programme in terms of providing better incentives to attract the Somalis into such programmes, as well as making it easier for the joint diaspora – home community associations to apply for such funds.

The Somali Diaspora is the best trained and skilled among the Somalis, their valuable knowledge should therefore be transferred. One option is to use programmes such the UNDP QUESTS programme to provide incentives for the skilled Somali Diaspora to return at teach at Diaspora-Home Community driven educational projects, whether private or collective.

The study shows that there is a potential for supporting joint Diaspora and Community driven social sector development projects, such as local educational initiatives. The option is to assist and strengthen and encourage partnerships between diaspora groups (diaspora associations), governmental institutions (local & national), community associations (traditional and professional) and international organisation (NGOs and the UN) in a tri-partite partnership.

The Tri-partite partnerships would be between the Diaspora Association, the Community (including existing formal governmental authorities) and the International Aid organisations involved.

The support needed would be organisational management training and capacity building to the Diaspora Association and Community Associations alike. Such assistance should primarily be based in their joint needs, and not what the International Organisations want. Capacity building entails primarily strategic needs assessments by the communities themselves (identification of education needs, and the kind of skills and inputs needed from Diaspora), accountability and good governance of collective funds, and support to Diaspora Communities to gain support from communal/municipal schemes to help long term education strategies of the Diaspora Youths towards types of education which is specifically needed in Somalia.

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